

NELCO LIMITED

REGD. OFFICE :- EL-6, TTC INDUSTRIAL AREA, MIDC, ELECTRONIC ZONE, MAHAPE, NAVI MUMBAI - 400 710,

CIN: L32200MH1940PLC003164

Statement of Standalone Unaudited Financial Results for the Quarter and Twelve Months Ended 30th September, 2015

Segment wise Revenue, Results and Capital Employed for the Quarter and Twelve Months ended 30th September, 2015

Part - I

Rs. In Lakhs

Sr. No.	Particulars	3 Months ended 30.09.2015 Unaudited	Preceding 3 Months ended 30.06.2015 Unaudited	Corresponding 3 Months ended 30.09.2014 Unaudited	12 Months ended 30.09.2015 Unaudited	Previous year ended 30.09.2014 Audited
1.	Income from Operations					
	a) Sales / Income from Operations	2,099	2,262	2,754	9,584	10,366
	Less : Excise Duty	-	3	10	6	115
	Net Sales / Income from Operations	2,099	2,259	2,744	9,578	10,251
	b) Other Operating Income	5	-	-	25	26
	Total Income From Operations (net)	2,104	2,259	2,744	9,603	10,277
2.	Expenses					
	a) Cost of materials consumed	7	24	90	199	491
	b) Purchase of stock- in-trade	486	729	810	2,893	3,254
	c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	167	(147)	131	167	548
	d) Employee Benefits Expense	475	545	548	2,089	2,400
	e) Depreciation and amortization expense (Refer Note No 1 & 5)	139	159	126	830	571
	f) Sub Contracting Expenses	222	269	302	1,038	959
	g) Other expenses	507	709	630	2,435	2,600
	Total Expenses	2,003	2,288	2,637	9,651	10,824
3.	Profit / (Loss) From Operations before other income, finance costs and exceptional Items (1 - 2)	101	(29)	107	(48)	(546)
4.	Other Income (refer note 6)	52	70	85	227	321
5.	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3 + 4)	153	41	192	179	(225)
6.	Finance cost	215	207	187	837	887
7.	Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items (5 - 6)	(62)	(166)	5	(658)	(1,112)
8.	Exceptional Items (refer note 2 for 3 and 12 months ended 30th Sep, 15 and note 4 for previous year ended 30th Sep 14)	162	-	-	162	1,241
9.	Profit / (Loss) from ordinary activities before tax (7 + 8)	100	(166)	5	(496)	129
10.	Tax expense					
	a) Current Tax	-	-	-	-	-
	b) Deferred Tax (refer note 5)	-	-	-	47	-
11.	Net Profit/ (Loss) from ordinary activities after tax (9 - 10)	100	(166)	5	(543)	129
11A	- From Continuing Operations (Net of Tax of Rs Nil for quarter ended 30-09-15)	18	(73)	229	(365)	883
11B	- From Discontinuing Operations (Net of Tax of Rs Nil for quarter ended 30-09-15) (Refer Note no 1 & 2)	(80)	(93)	(224)	(340)	(754)
11C	- Profit on sale of Discontinuing Operations (refer note 2)	162	-	-	162	-
12	Paid up equity share capital (face value Rs.10/-)	2,282	2,282	2,282	2,282	2,282
13	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year					(1,245)
14	Earnings Per Share Basic and Diluted (before and after extraordinary items) (of Rs. 10/-each) (not annualised)					
	- Total Operations	0.44	(0.73)	0.02	(2.38)	0.57
14A	Earnings Per Share Basic and Diluted (before and after extraordinary items) (of Rs. 10/-each) (not annualised)- From Continuing Operations	0.08	(0.32)	1.00	(1.60)	3.87

Rs. In Lakhs

Sr. No.	Particulars	3 Months ended 30.09.2015 Unaudited	Preceding 3 Months ended 30.06.2015 Unaudited	Corresponding 3 Months ended 30.09.2014 Unaudited	12 Months ended 30.09.2015 Unaudited	Previous year ended 30.09.2014 Audited
1	Segment Revenue (Net Sales / Income from operations)					
	(i) Automation & Control	154	358	393	1,115	2,545
	(ii) Network Systems	1945	1,904	2361	8,469	7,821
	Less : Excise Duty	-	3	10	6	115
	Total	2,099	2,259	2,744	9,578	10,251
	Less : Inter Segment Revenue	-	-	-	-	-
	Net Sales / Income from Operations	2,099	2,259	2,744	9,578	10,251
2	Segment Results					
	(i) Automation & Control	(138)	(149)	(81)	(867)	(746)
	(ii) Network Systems	539	483	521	2,032	1,547
	Total	401	334	440	1,165	801
	Less:					
	(i) Interest expense	215	207	187	837	887
	(ii) Other un-allocable (income) / expenditure net of unallocable (income) / expenditure	248	293	248	986	1,026
	Add:-					
	(i) Exceptional items unallocable to segment (refer note 2 for 3 and 12 months ended 30th Sep, 15 and note 4 for previous year ended 30th Sep 14)	162	-	-	162	1,241
	Profit/(Loss) Before Tax	100	(166)	5	(496)	129
3	Capital Employed (Segment Assets-Segment Liabilities)					
	(i) Automation & Control	2,760	2,661	3,471	2,760	3,471
	(ii) Network Systems	1,903	1,886	1,579	1,903	1,579
	Total Segment Capital Employed (Segment Assets - Segment Liabilities)	4,663	4,547	5,050	4,663	5,050

Notes :-

1 The Company vide its letter dated 3rd April, 2014 had informed the Stock Exchange about the approval of the Board of Directors to restructure the operations of Company's Integrated Security & Surveillance Solutions business ("ISSS business") which inter alia, includes the business of Unattended Ground Sensors (UGS) and forms part of the 'Automation & Control' segment. As part of such restructuring, the Board of Directors of the Company at its meeting held on 28th January, 2015 accepted an "offer" made by The Tata Power Company Limited, (Parent Company) for its Strategic Engineering Division to purchase the business of UGS as a "going concern" on a "slump sale" basis at a consideration of Rs. 831 Lakhs with effect from 1st October 2014. The shareholders by postal ballot on 25th June, 2015 have approved the transaction. The Business Transfer Agreement (BTA) is signed on 5th August, 2015. This shall be subject to concluding various approvals and consents to be received. The assets attributable to the UGS business have been impaired in the quarter ended 31st December, 2014 to the tune of Rs. 166 Lakhs and disclosed as part of Depreciation & Amortisation expense.

The financial parameters in respect of the ordinary activities attributable to the UGS business are as follows:

Rs. In Lakhs

Particulars	3 Months ended 30.09.2015	Preceding 3 Months ended 30.06.2015	Corresponding 3 Months ended 30.09.2014	12 Months ended 30.09.2015	Previous year ended 30.09.2014
Net Sales / Income from Operations	14	23	45	152	524
Expenses	75	82	66	378	423
Expenses attributable	19	19	51	106	209
Pre-tax profit / (loss)	(80)	(78)	(72)	(332)	(108)
Total Assets	722	747	997	722	997
Total Liabilities	1	1	-	1	-

The transfer being effective from 1st October, 2014, the results of operation for the quarter and twelve months ended 30th September, 2015 and three months ended 30th June, 2015, includes a portion attributable to The Tata Power Company Limited which will be given effect to on completion of transaction.

2 Further, as part of restructuring, the Board of Directors of the Company at its meeting held on 18th March, 2015 accepted the offer received from a company for the transfer of Managed Services business ("MS Business") forming part of Network System segment as a "going concern" on a "slump sale" basis at a consideration of Rs. 210 lakhs with effect from 1st April, 2015. The shareholders by postal ballot on 25th June, 2015 have approved the transaction. The said transaction is concluded on 31st August, 2015 after entering into definitive agreement and after obtaining various approvals as required under applicable laws. The said transaction is given effect during the quarter with effect from 1st April, 2015. Consequent to the consummation of the transaction of MS business on a slump sale basis the effect of which is accounted in the current quarter the preceding quarters are not comparable. An Amount of Rs 162 Lakhs is accounted as profit on sale of this business as disclosed under exceptional item.

The financial parameters in respect of the ordinary activities attributable to the MS business are as follows

Rs. In Lakhs

Particulars	3 Months ended 30.09.2015	Preceding 3 Months ended 30.06.2015	Corresponding 3 Months ended 30.09.2014	12 Months ended 30.09.2015	Previous year ended 30.09.2014
Net Sales / Income from Operations	65	97	121	553	580
Expenses	59	106	146	522	672
Expenses attributable	3	6	127	51	554
Pre-tax profit / (loss)	3	(15)	(152)	(20)	(646)
Total Assets	83	141	100	83	100
Total Liabilities	113	67	-	113	-

3 The Company has accumulated losses as at 30th September, 2015 which has substantially eroded the Company's net worth. Notwithstanding this, these unaudited financial results have been prepared on going concern basis in view of a support letter from the Parent Company.

4 In the year 2006, the Company had filed arbitration proceedings against Jawaharlal Nehru Port Trust (JNPT) for enforcement of its claim in respect of the additional work carried out, wrongful deduction of liquidated damages and encashment of bank guarantee by JNPT. The Arbitration award was passed in favour of the Company on 6th February, 2012. The said award, however, was challenged by JNPT in the Hon'ble Bombay High Court which dismissed the plea on 6th February, 2014 and awarded the claim to the Company. JNPT paid Rs 1,241 lakhs as decretal dues in June quarter 2014.

5 Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Company has, effective 1st October 2014, reviewed and revised the estimated useful lives of its fixed assets, in accordance with the provisions of Schedule II to the Act. Consequently, the depreciation charge for the three months and twelve months ended 30th September, 2015 is higher by Rs 36 Lakhs and Rs 225 lakhs respectively and Rs.104 lakhs (net of tax Rs. 47 lakhs) on account of transition provision has been adjusted to retained earnings as on 1st October, 2014.

6 Other income includes :-

Rs. In Lakhs

Particulars	3 Months ended 30.09.2015 Unaudited	Preceding 3 Months ended 30.06.2015 Unaudited	Corresponding 3 Months ended 30.09.2014 Unaudited	12 Months ended 30.09.2015 Unaudited	Previous year ended 30.09.2014 Audited
Interest income	33	34	39	156	193
Liabilities / Provisions no longer required written back	6	34	19	40	82
Miscellaneous income	13	2	27	31	46
Total	52	70	85	227	321

7 In order to be in compliance with The Companies Act, 2013, the Board of Directors at its meeting held on 30th July, 2015 has given its approval to extend the year end of its financial statements from 30th September, 2015 to 31st March, 2016. During the quarter, the company has received approval from the Registrar of Companies(ROC) and consequently, the financial statements for the period 1st October, 2014 to 31st March, 2016 would be for 18 months.

8 Due to the nature of project business, financial results for the periods are not representative of the annual results.

9 Figures for the previous year/periods are re-classified / re-arranged / re-grouped, wherever considered necessary.

10 The above results were reviewed and recommended by the Audit Committee and were approved by the Board of Directors at its meeting held on 28th October, 2015.

Standalone Statement of Assets and Liabilities as at 30th September, 2015

Rs. In Lakhs

Particulars	As at 30 th September, 2015 Unaudited	As at 30 th September, 2014 Audited
A	EQUITY AND LIABILITIES	
1	Shareholders' funds	
	(a) Share capital	2,282
	(b) Reserves and surplus	(1,892)
	Sub Total- Shareholders' Fund	390
2	Non-current liabilities	
	(a) Long-term borrowings	29
	(b) Other long-term liabilities	61
	(c) Long-term provisions	514
	Sub Total- Non Current Liabilities	604
3	Current liabilities	
	(a) Short-term borrowings	7,175
	(b) Trade payables	2,791
	(c) Other current liabilities	684
	(d) Short-term provisions	414
	Sub Total -Current Liabilities	11,064
	TOTAL EQUITY AND LIABILITIES	12,058
B	ASSETS	
1	Non-current assets	
	(a) Fixed assets	1,724
	(b) Non-current investments	696
	(c) Long-term loans and advances	2,611
	Sub Total - Non Current Assets	5,031
2	Current assets	
	(a) Inventories	1,225
	(b) Trade receivables	4,339
	(c) Cash and Cash Equivalents	71
	(d) Short-term loans and advances	481
	(e) Other current assets	911
	Sub Total Current Assets	7,027
	TOTAL ASSETS	12,058

Place : Mumbai
Date : 28th October, 2015

FOR NELCO LIMITED

R.R.Bhinge
Chairman